

KT-CT.1.1# - TIMBER SUBJECT TO AGREEMENT (09/2004)

In addition, there is within Sale Area an unestimated quantity of:

Species	Product
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All species landing and grapplGrn Bio Cv

that shall be Included Timber upon written agreement.

KT-CT.3.5.7# - INDIVIDUAL TREE DESIGNATION (OPTION 1) (06/2008)

All trees to be cut are described on page 43a which meet the minimum tree diameter stated in AT.2 are designated for cutting. Additional timber to be cut, if any, will be designated for cutting in accordance with CT.3.7.

Leave trees, Marked with orange paint above and below stump height, or identified by blue boundary tags and orange paint above and below stump height, are not to be cut, unless designated by the Forest Service.

KT-ET.2.2 - CHANGES IN STEWARDSHIP CREDITS (06/2008)

The Contracting Officer may at any time, by written order, make changes within the general scope of this contract in any one or more of the following:

- (1) Specifications for Stewardship Projects listed in KT-GT.9#.
- (2) Quantities of Stewardship Projects listed in AT.4.4.
- (3) Prices for Stewardship Projects listed in AT.4.4.
- (4) Place of performance of the Stewardship Projects as shown on the Contract Area Map.

If a written change order causes an increase in the time required for performing any part of the work under this contract, the Contracting Officer shall make an adjustment in the Contract Termination Date and shall modify the contract accordingly.

The Contractor must assert their right to equitable adjustments under this provision within 30 days from receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before contract closure.

If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.

Failure to agree to an adjustment under this provision shall be considered a dispute under JT.2. However, nothing in this provision shall excuse the Contractor from proceeding with the contract as changed.

In addition, by written modification of the contract, new Stewardship Projects may be added to KT-GT.9# and AT.4.4, with or without expanding the Contract Area, as long as they are within the general scope of this contract.

KT-ET.4 - PAYMENTS NOT RECEIVED (08/2012)

(a) Payments are due and payable on the date of issue indicated on the bill for collection. When a payment for timber cut and other charges is not received at the location designated by Forest Service by the date specified in the bill for collection, Contracting Officer will suspend all or any part of Contractor's Operations until payment or acceptable payment guarantee is received. Other charges include, but are not limited to:

- (i) Slash disposal and road maintenance deposits;
- (ii) Cooperative work at rates established by specific agreement under ET.2.1.8;
- (iii) Damages pursuant to JT.4;
- (iv) Road use fees;
- (v) Restoration of downpayment pursuant to ET.2.2;
- (vi) Periodic payments pursuant to ET.2.1.3;
- (vii) Extension Deposits pursuant to ET.2.1.7; and
- (viii) Other mandatory deposits.

(b) Failure to pay amounts due by the date specified in the bill for collection shall be considered a breach under JT.3. The 30-day notice period prescribed therein shall begin to run as of the end of business on the date specified for receipt of payments. If the performance or payment is guaranteed by surety bond, the surety will receive a copy of the written notification of breach. Demand will be made on the surety or other institution providing the guarantee or bond instrument for immediate payment 10 days after issuance of written notification of the breach.

(c) Pursuant to the Debt Collection Improvement Act of 1996, as amended, if payment is not received by Forest Service within 15 days after the date of issue indicated on the bill for collection:

(i) Simple interest shall be assessed at the Current Value of Funds Rate as established by the Secretary of the Treasury. Interest will begin to accrue as of the date of issue indicated on the initial bill for collection.

(ii) Debtors will be assessed administrative charges, in addition to the delinquent amount due. Administrative charges are those additional costs incurred by the Government in processing, handling, and collecting delinquent debts.

(iii) A penalty charge of six (6) percent per annum will be assessed on any portion of a debt delinquent more than 90 days. This penalty charge is in addition to interest and administrative charges under paragraphs (c)(i) and (c)(ii). The penalty charge shall accrue from the date of issue indicated on the bill for collection and shall be assessed on all outstanding amounts, including interest and administrative costs assessed under paragraphs (c)(i) and (c)(ii).

(iv) Payments will be credited on the date received by the Federal Depository or Collection Officer designated on the bill for collection.

(d) Forest Service remedies for Contractor's failure to make payment for timber cut and other charges when due, except for accrual of interest, suspension of all or any part of Contractor's Operations, and administrative offset, shall be stayed for so long as:

- (i) A bona fide dispute exists as to Contractor's obligation to make such payment and
- (ii) Contractor files and prosecutes a timely Claim.

Contract Name: Fine (EXF) Stewardship

KT-FT.1.1.2# - USE OF ROADS BY CONTRACTOR (09/2004)

Contractor's use of existing roads identified on Contract Area Map by the following codes is prohibited or subject to restrictive limitations, unless agreed otherwise:

Code	Use Limitations
X	Hauling prohibited
R	Hauling restricted
U	Unsuitable for hauling prior to completion of agreed reconstruction
P	Use prohibited
A	Public use restriction
W	Regulation waiver

Roads coded A will be signed by the Forest Service to inform the public of use restrictions. Contractor's use of roads coded R, A, or W shall be in accordance with the following restrictions:

See Restricted Road List Table.

Contract Name: Fine (EXF) Stewardship

Contract Name: Fine (EXF) Stewardship

KT-FT.3.1# - ROAD MAINTENANCE REQUIREMENTS (09/2004)

Contractor shall maintain roads in accordance with the following Contract Road Maintenance Requirements Summary:

See Contract Road Maintenance Requirements Summary Table.

Contract Name: Fine (EXF) Stewardship

Contract Name: Fine (EXF) Stewardship

KT-GT.3.1.5# - PROJECT OPERATION SCHEDULE (05/2005)

Unless otherwise agreed to between Contractor and Forest Service, Contractor's Operations shall be performed in accordance with the following schedule.

See attached schedule.

Contract Name: Fine (EXF) Stewardship

KT-GT.4.0.5 - ALTERNATE REMOVAL OF INCLUDED TIMBER (05/2005)

Contractor and Forest Service may agree to alternate removal requirements of Included Timber contained in AT.2. Alternate removal requirements are to be set forth in an agreement signed by both Contractor and Contracting Officer. The terms of the agreement binds both parties and becomes part of the stewardship contract.

The development and execution of the agreement is based upon the determination by the Contracting Officer that removal of Included Timber is economically impractical if Contractor has no ready market for such logs in the tributary area. A tributary area is defined as the area in which the Contractor and competitors regularly deliver saw logs, or 200 miles from the Contract Area, whichever distance is greater.

The agreement for alternate removal requirements shall be executed prior to removing any timber from the Payment Units included in the agreement. Alternate removal requirements shall apply only to whole units and not to portions of units. All material meeting alternate removal specifications shall be cut and removed to locations designated in the agreement.

Volumes of material with alternate removal requirements will be determined from the National Cruise report for the project. Contractor will be charged for the following:

- a) stumpage value at current contract rates of the alternatively removed timber;
- b) plus the cost of other work required by the Forest Service to dispose of alternatively removed material;
- c) plus the difference between the appraised transportation cost of the Sawtimber and/or Nonsawtimber material involved and the appraised transportation cost of the alternative;
- d) minus any work required to be completed by the Contractor associated with alternate removal requirements.

Charges will be debited to the Contractor's Integrated Resource Account.

Upon acceptance of the alternate removal requirements, the Payment Unit will be removed from the Contract Area under GT.3.6.

Title to material included in the alternate removal agreement shall remain with the Forest Service.

KT-GT.4.1# - SPECIFIC REQUIREMENTS (05/2005)

Notwithstanding GT.4.1, GT.4.1.1, GT.5 and GT.6.1, felling objectives shall be accomplished by the type of felling methods and equipment listed herein. Methods or equipment other than those specified may be approved. For Payment Units shown in the following table, Contractor shall submit a cutting plan for Forest Service acceptance, prior to the start of felling operations.

See attached Table.

Contract Name: Fine (EXF) Stewardship

KT-GT.4.2# - YARDING/SKIDDING REQUIREMENTS (05/2005)

Contractor shall submit for Forest Service approval a Yarding/Skidding Plan prior to the start of felling operations. Requirements other than those specified in the following table may be approved. When appropriate, such approval shall include adjustments in Current Contract Rates and revision of the Contract Area Map. In no such case shall the adjustments result in Current Contract Rates less than Base Rates.

Location of all skid roads and trails, tractor roads, skyline corridors, mechanized harvester trails, forwarder roads, and other log skidding facilities, shall be approved prior to their use or construction.

See attached table for requirements.

Contract Name: Fine (EXF) Stewardship

KT-GT.7 - SLASH DISPOSAL (06/2008)

As used in the following Subsections, the term "slash" is vegetative debris including, but not limited to, cull logs, blasted or pushed-out stumps, chunks, broken tops, limbs, branches, rotten wood, damaged brush, damaged or destroyed reproduction, saplings or poles, resulting from Contractor's Operations, including construction of roads or other improvements under this contract. Slash resulting from the construction of Specified Roads shall be disposed of as provided for in Section 201 of the Standard and Special Specifications and as shown in Drawings.

Any burning of slash or refuse by Contractor is subject to KT-HT.2.0.1.

Forest Service may enter into a written agreement with Contractor for the Contractor to remove slash from landings, subject to DT.4.1. Brush disposal deposits paid by the Contractor for the Forest Service to burn landing piles will be credited to the Contractor's integrated resource account in the amount shown in the brush disposal plan, less the amount needed by the Forest Service for final cleanup of the landings following removal of the landing slash piles by the Contractor. The credit will be made following the final removal of all Included Timber, and slash piles, from the Contract Area.

KT-GT.7.4.2# - SLASH TREATMENT REQUIREMENTS (OPTION 2) (06/2010)

Contractor shall pile, burn, yard, construct firelines or otherwise treat slash defined in KT-GT.7, within designated areas. Work required of Contractor shall be in accordance with the following slash plan and specifications, and the Contract Area Map.

See following slash plan and specifications.

Contract Name: Fine (EXF) Stewardship

KT-GT.8 - MEASURING (05/2005)

The estimated quantity of timber in AT.2 was determined in advance of advertisement. Any timber subsequently added or deleted under CT.1.3, CT.1.4, CT.1.5, CT.3.1, CT.3.2, CT.3.3, CT.3.4, CT.3.5, or CT.3.7 will be measured by the Forest Service and formulated using Forest Service Handbook 2409.12, Timber Cruising Handbook Standards, unless otherwise agreed to in writing.

KT-GT.8.1.1 - ACCOUNTABILITY (05/2005)

The following requirements are applicable to product removal permits:

1. Forest Service will issue to Contractor or designated representative(s) serially numbered Product Removal Permit Books for use only on this contract. Product Removal Permit Books, whether used or unused, shall be returned to issuing Forest Service Office in accordance with instructions contained on cover of each book.
2. All permits shall be completed and attached to load by an individual named in writing, other than the truck driver in accordance with the instructions on the inside cover of the Product Removal Permit Book. Product Removal Permit will be attached prior to removal from the immediate vicinity where loading is done. The permit will remain attached until the load is decked at the delivery point.
3. Contractor shall require truck drivers to stop when requested by Forest Service for purposes of monitoring accountability when products are in transit. Methods to be used to alert drivers of an impending stop shall be agreed to in advance of hauling products.

KT-GT.8.4 - USE OF PAINT BY CONTRACTOR (OPTION 1) (06/2006)

Notwithstanding GT.8.1, use of paint by the Contractor within the Contract Area in the same color(s) as used by the Forest Service in the preparation of the sale and administration of the contract will be by written approval of the Forest Service.

KT-GT.9# - STEWARDSHIP PROJECTS (09/2004)

Performance of stewardship projects shall be in accordance with the following specifications.

Stewardship Projects

Contract Name: Fine (EXF) Stewardship

KT-HT.1 - PLANS (05/2005)

The plan shall state how Contractor's representative or alternates will be contacted in a fire emergency, both during periods of operation and at other times such as evenings or weekends. Contractor shall certify compliance with specific fire precautionary measures included as Subsections under KT-HT.2 - Specific Fire Precautions, before beginning operations during Fire Precautionary Period (closed season) and shall update such certification when operations change.

If helicopter yarding is required, the plan shall include a schedule of rates mutually agreed to for computing Contractor costs incurred toward meeting Contractor's obligations under AT.14, or for paying for helicopters controlled by Contractor and used under Forest Service direction for suppressing Operations Fires or other fires on Contract Area, excluding Negligent Fires.

KT-HT.2 - SPECIFIC FIRE PRECAUTIONS (05/2005)

When the industrial fire precaution level is I or higher, unless waiver is granted under KT-HT.2.2, specific required fire precautionary measures are as follows:

A. Fire Security.

Contractor shall designate in writing a person or persons who shall perform fire security services listed below on Contract Area and vicinity. The designated person will be capable of operating Contractor's communications and fire fighting equipment specified in the contract, excluding helicopters, and of directing the activities of Contractor's personnel on Forest fires. Such person must report any fire detected to Forest Service within 15 minutes of detection. In lieu of having the designated person perform the required supervisory duties, Contractor may provide another person meeting the qualifications stated above to direct the activities of Contractor's personnel and equipment during all fire fighting activities.

Services described shall be for at least 1 hour from the time Contractor's Operations are shut down. For the purposes of this provision, personnel servicing equipment, and their vehicles, who are not engaged in cutting or welding metal are excluded.

Fire security services shall consist of moving throughout the operation area or areas constantly looking, reporting, and taking suppression action on any fires detected. Where possible, the designated person shall observe inaccessible portions of helicopter operating areas from vantage points within or adjacent to Contract Area.

Contractor shall furnish fire security services based on the predicted industrial precaution level, obtained by Contractor from the appropriate Ranger District Headquarters. If predictions made after 6:00 p.m. local time, are significantly different than originally estimated, Forest Service will inform Contractor when changes in fire security services are indicated.

B. Fire Extinguisher and Equipment (on Trucks, Tractors, Power Saws, etc.).

(a) Each yarder or loader equipped with an internal combustion engine or other spark emitting source shall be equipped with a readily accessible fire extinguisher, with an Underwriter's Laboratory (UL) Rating of at least 5 B,C.

(b) All power-driven equipment operated by Contractor on National Forest land, except portable fire pumps, shall be equipped with one fire extinguisher having a UL rating of at least 5 B,C and one "D" handled or long handled round point shovel, size 0 or larger. In addition, each motor patrol, truck and passenger-carrying vehicle shall be equipped with a double-bit axe or Pulaski, 3-1/2 pounds or larger.

(c) Equipment required in (a) and (b) shall be kept in a serviceable condition and shall be readily available.

(d) Each gasoline power saw operator shall be equipped with a pressurized chemical fire extinguisher of not less than 8-ounce capacity by weight, and one long handled round point shovel, size 0 or larger, except at a landing where a suitable fire extinguisher and shovel are immediately available. The extinguisher will be kept in possession of the saw operator at all times. The shovel shall be accessible to the operator within 1 minute.

(e) Each helicopter shall be equipped with one fire extinguisher having a UL rating of at least 5 B,C mounted inside the aircraft within reach of the pilot's operating position.

(f) One refill for each type or one extra extinguisher sufficient to replace each size extinguisher required on equipment shall be safely stored in the fire tool box or other agreed upon place on Contract Area that is protected and readily available.

(g) At each area where helicopters are being serviced or supplied, a carbon dioxide fire extinguisher with a UL rating of at least 20 B,C will be provided on the site and placed where it is available for immediate use.

C. Spark arresters and mufflers.

Each internal combustion engine shall be equipped with a spark arrester qualified and rated under USDA Forest Service Standard 5100-1a as shown in the National Wildfire Coordination Group Spark Arrester Guide, unless it is:

(a) Equipped with a turbine-driven exhaust supercharger such as the turbocharger. There shall be no exhaust bypass.

(b) A multi-position engine, such as on power saws which must meet the performance levels set forth in the Society of Automotive Engineers (SAE) "multi-positioned small engine exhaust fire ignition standard, SAE recommended practice J335B" as now or hereafter amended.

(c) A passenger carrying vehicle or light truck, or medium truck up to 40,000 GVW, used on roads and equipped with a factory designed muffler complete with baffles and an exhaust system in good working condition.

(d) A heavy duty truck, such as a dump or log truck, or other vehicle used for commercial hauling, used only on roads and equipped with a factory designed muffler and with a vertical stack exhaust system extending above the cab.

Exhaust equipment described in this Subsection, including spark arresters and mufflers, shall be properly installed and constantly maintained in serviceable condition.

D. Fire Tools.

Contractor shall furnish serviceable fire fighting tools in a readily accessible fire tool box or compartment of sound construction with a hinged lid and hasp so arranged that the box can be secured or sealed. The box shall be red and marked "Fire Tools" in letters at least 1 inch high. It shall contain a minimum of:

(a) Two axes or Pulaskis with a 32 inch handle.

(b) Three adze eye hoes. One Pulaski may be substituted for one adze eye hoe.

(c) Three long handled, round point shovels, size 0 or larger.

E. Tank Truck.

Contractor shall provide a tank truck or trailer, containing not less than 300 gallons of water, during yarding, skidding, loading, land clearing, right-of-way clearing, mechanical falling, and mechanical treatment of slash. Such tank truck or trailer shall be maintained in a serviceable condition and located within 10 minutes, round trip, from each operating side during Fire Precautionary Period (closed season), except as provided under HT.2.1.

The tank truck or trailer shall be equipped with a pump capable of discharging 20 gallons of water per minute, using a 1/4 inch nozzle tip, through a 50 foot length of poly or rubber lined hose. In addition, 500 feet of serviceable hard rubber poly or rubber lined or FJRL hose of not less than 1 inch outside diameter, fitted with a nozzle capable of discharging a straight stream of 1/4 inch diameter and a spray pattern shall be immediately available for use. The tank, pump, nozzle and at least 250 feet, of the total 500 feet of hose, shall be connected and ready for use at all times. Synthetic hose may be used by

agreement.

If a trailer is used, it shall be equipped with a hitch to facilitate prompt movement. A serviceable tow vehicle shall be immediately available for attachment to the trailer and must meet the time requirements stated above. Such truck or trailer shall be equipped to operate for a minimum of 8 hours.

Where designated on Contract Area Map, Contractor shall provide a tank trailer or water source and pumping equipment, including accessories, which can be lifted and transported by the yarding system. The component parts shall meet all specifications above. The tank trailer or water supply and pumping accessories shall be deliverable to a fire, in area of operations, within 15 minutes of detection.

In lieu of the above tank trailer or water supply for helicopter operations, Contractor may provide a suitable helicopter water bucket with a 300 gallon capacity. When Contractor provides a water bucket, a water source shall be provided within 5 minutes round trip flight time from operating side.

F. Communications.

During Contractor's Operations, excluding powersaw falling and bucking, Contractor shall provide adequate two-way communication facilities to report a fire to Forest Service within 15 minutes of detection. Citizen Band radios (CB's) are not considered adequate two-way communications because FCC Regulations prohibit commercial use.

G. Smoking and Open Fire Restrictions.

Smoking and fires shall be permitted only at the option of Contractor. Contractor shall not permit open fires on Contract Area without advance permission in writing from Forest Service.

H. Blasting.

Blasting shall be permitted only for road construction purposes unless advance permission is obtained from Forest Service.

Whenever the Industrial Fire Precaution Level is II or greater, a fire security person equipped with a long handled round point No. 0 or larger shovel and a 5 gallon backpack pump can filled with water, will stay at location of blast for 1 hour after blasting is done. Blasting may be suspended by Forest Service, in areas of high rate of spread and resistance to control.

Fuses shall not be used for blasting. Explosive cords shall not be used without permission of Forest Service, which may specify conditions under which such explosives may be used and precautions to be taken.

I. Compliance with State Fire Laws.

Listing of specific fire precautionary measures in the foregoing Subsections is not intended to relieve Contractor in any way from compliance with State fire laws covering fire prevention and suppression equipment, applicable to Contractor's Operations.

J. Aircraft Communications.

Every aircraft used in conjunction with Contractor's Operations shall be equipped with an operable radio system. The radio system shall be capable of transmitting and receiving on VHF frequency 122.85 Megahertz (MHz) with a minimum output of 5 watts at the transmitter. The system shall be located and installed so that the pilot can operate it while flying. A shielded all-weather broad-band antenna shall be part of the system. Radio and antenna shall be properly installed and maintained.

Upon discovery or notification of a fire on Contract Area, all aircraft pilots controlled by Contractor

shall monitor VHF frequency 122.85 MHz when within 5 miles of a fire and broadcast their intentions.

K. Logging Block Equipment.

Contractor shall provide a serviceable 5 gallon backpack pump full of water, one axe, and one long handled round point shovel, size 0 or larger, at each haulback block through which a running line passes.

The area below such blocks must be kept clear of all flammable debris under 4 inches in diameter for a distance of 6 feet in all directions. Material larger than 4 inches that poses a fire risk, such as punky logs, must also be removed.

Contractor shall avoid line-rub on rocks or woody material which may result in sparks or sufficient heat to cause ignition of fire.

KT-HT.2.0.1 - BURNING BY CONTRACTOR (06/2006)

Notwithstanding the Fire Precautionary Period limitation of HT.2, Contractor is required to obtain written permission from Forest Service prior to any burning on the National Forest Lands.

KT-HT.2.2 - EMERGENCY FIRE PRECAUTIONS (05/2005)

Contractor shall restrict operations in accordance with the Industrial Fire Precaution Levels attached. Forest Service may change the Industrial Fire Precaution Levels to other values upon revision of the National Fire Danger Rating System and may change the specific Industrial Fire Precaution Levels when such changes are necessary for the protection of the National Forest. When sent to Contractor, the revised Industrial Fire Precaution Levels will supersede the attached levels.

LEVEL INDUSTRIAL FIRE PRECAUTION

I. Closed Season - Fire precaution requirements are in effect. A Fire Watch/Fire Security is required at this and all higher levels unless otherwise waived.

II. Partial Hootowl - The following may operate only between the hours of 8 p.m. and 1 p.m. local time:

- power saws, except at loading sites;
- cable yarding;
- blasting;
- welding or cutting of metal.

III. Partial shutdown - The following are prohibited:

cable yarding - except that gravity operated logging systems employing non-motorized carriages may be operated between the hours of 8 p.m. and 1 p.m. local time when all blocks and moving lines are 10 feet or more above the ground, excluding the line between the carriage and the choker.

power saws - except at loading sites and on tractor/skidder operations between the hours of 8 p.m. and 1 p.m. local time.

In addition, the following are permitted between the hours of 8 p.m. and 1 p.m. local time:

- tractor, skidder, feller-buncher, forwarder, or shovel logging operations where tractors, skidders or other equipment with a blade capable of constructing fireline are immediately available to quickly reach and effectively attack a fire start;
- mechanized loading and hauling;
- blasting;
- welding or cutting of metal;
- any other spark-emitting operation not specifically mentioned.

IV. General Shutdown - All operations are prohibited.

The following definitions shall apply to these Industrial Fire Precaution Levels:

Cable yarding systems: A yarding system employing cables and winches in a fixed position.

Closed Season (Fire Precautionary Period): That time period each year when a fire hazard exists and as described in AT.12.

Hauling: Where hauling involves transit through more than one shutdown zone/regulated use area, the precaution level at the woods site shall govern the level of haul restrictions, unless prohibited by other than the Industrial Fire Precaution Level system.

Loading sites/woods site: A place where any product or material (including but not limited to logs, firewood, slash, soil, rock, poles, posts, etc.) is placed in or upon a truck or other vehicle.

Advance written waiver of the above precautions may be issued by the Contracting Officer or Forest Service Representative.

Such waiver, or substitute precautions under HT.2.1, shall prescribe measures to be taken by Contractor to reduce the risk of ignition, and/or the spread of fire. The Contracting Officer or Forest Service Representative shall consider site specific weather factors, fuel conditions, and specific operations that result in less risk of fire ignition and/or spread than contemplated when precaution level was predicted. Consideration shall also be given to measures that reduce the precaution levels above. Contractor shall assure that all conditions of such waivers or substitute precautions are met.

Contractor shall obtain the predicted Industrial Fire Precaution Level from the appropriate Ranger District headquarters. If predictions made after 6:00 p.m., local time, are significantly different than originally estimated, Forest Service will inform Contractor when changes in restrictions or industrial precautions are indicated.

KT-HT.3.1 - ADDITIONAL AREA OF FIRE RESPONSIBILITY (05/2005)

The area within 200 feet slope distance of the center line of any road constructed or reconstructed under this contract on National Forest lands outside of Contract Area shall be considered as a part of Contract Area in connection with responsibilities under HT.3 and HT.4 until the road has been accepted in writing by Forest Service.

KT-IT.1.0 - DISCLAIMER OF EXPRESSED OR IMPLIED WARRANTY (05/2005)

Contractor and Forest Service hereby agree, acknowledge, and accept that there is no expressed or implied warranty provided by the Forest Service that guarantees the Contractor will be allowed to complete the removal of products sold under the terms of the contract. Upon execution of the contract, Contractor hereby acknowledges the acceptance of the risk that this contract is subject to interruption or termination as a result of litigation associated with the environmental analysis process used by the Forest Service in the planning of this project. If such interruption or termination occurs due to litigation, Contractor agrees to accept as full compensation for such interruption remedies pursuant to IT.3.3, or for termination remedies pursuant to IT.3.4.

KT-IT.2.1.2 - MARKET-RELATED CONTRACT TERM ADDITION (11/2008)

The term of this contract may be adjusted when a drastic reduction in wood product prices has occurred in accordance with 36 CFR 223.52. The Producer Price Index used to determine when a drastic reduction in price has occurred is stated in AT.17. Contractor will be notified whenever the Chief determines that a drastic reduction in wood product prices has occurred. If the drastic reduction criteria specified in 36 CFR 223.52 are met for 2 consecutive calendar quarters, after contract award date, Contracting Officer will add 1 year to the contract term, upon Contractor's written request. For each additional consecutive quarter such a drastic reduction occurs, Contracting Officer will, upon written request, add an additional 3 months to the term during Normal Operating Season, except that no single 3-month addition shall extend the term of the contract by more than one year. Contracting Officer must receive Contractor's written request for a market-related contract term addition before the expiration of this contract.

No more than 3 years shall be added to a contract's term by market-related contract term addition unless the following conditions are met:

(i) The contract was awarded after December 31, 2006; and

(ii) A drastic reduction in wood product prices occurred in at least ten of twelve consecutive quarters during the contract term, but not including the quarter in which the contract was awarded.

For each qualifying quarter meeting the criteria in paragraphs (i) and (ii) of this provision, the Forest Service will, upon the Contractor's written request, add an additional 3 months during the normal operating season to the contract, except no single 3-month addition shall extend the term of a contract by more than 1 year.

In no event shall a revised contract term exceed 10 years as a result of market-related contract term addition.

Additional contract time may not be granted for those portions of the contract that have a required completion date or for those portions of the contract where Contracting Officer determines that the timber is in need of urgent removal or that timber deterioration or resource damage may result from delay.

KT-IT.6.8#(Option 1) - USE OF TIMBER (09/2004)

(a) This contract is subject to the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 USC 620, et seq.).

(b) Except for None determined pursuant to public hearing to be surplus, unprocessed Included Timber shall not be exported from the United States nor used in direct or indirect substitution for unprocessed timber exported from private lands by Contractor or any person as defined in the Act (16 USC 620e).

(c) Timber in the following form will be considered unprocessed:

(i) Trees or portions of trees or other roundwood not processed to standards and specifications suitable for end product use;

(ii) Lumber, construction timbers, or cants intended for remanufacturing not meeting standards defined in the Act (16 USC 620e); and

(iii) Aspen or other pulpwood bolts exceeding 100 inches in length.

(d) Unless otherwise agreed in writing, unprocessed Included Timber shall be delivered to a domestic processing facility and shall not be mixed with logs intended for export.

(e) Prior to award, during the life of this contract, and for a period of 3 years from Termination Date, Contractor shall furnish to Forest Service, upon request, records showing the volume and geographic origin of unprocessed timber from private lands exported or sold for export by Contractor or affiliates.

(f) Prior to delivering unprocessed Included Timber to another party, Contractor shall require each buyer, exchangee, or recipient to execute an acceptable agreement that will:

(i) Identify the Federal origin of the timber;

(ii) Specify domestic processing for the timber involved;

(iii) Require the execution of such agreements between the parties to any subsequent transactions involving the timber;

(iv) Require that all hammer brands and/or yellow paint must remain on logs until they are either legally exported or domestically processed, whichever is applicable; and

(v) Otherwise comply with the requirements of the Act (16 USC 620d).

(g) No later than 10 days following the execution of any such agreement between Contractor and another party, Contractor shall furnish to Forest Service a copy of each such agreement. Contractor shall retain, for 3 years from Termination Date, the records of all sales, exchanges, or dispositions of all Included Timber.

(h) Upon request, all records dealing with origin and disposition of Included Timber shall be made available to Contracting Officer.

(i) For breach of this Subsection, Forest Service may terminate this contract and take such other action as may be provided by statute or regulation, including the imposition of penalties. When terminated by Forest Service under this Subsection, Forest Service will not be liable for any Claim submitted by Contractor relating to the termination.